

Message Text

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ORIGIN SS-20

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

USIA-15 SAM-01 AF-10 ARA-16 EA-11 EUR-25 NEA-11 EB-11

OMB-01 FEA-02 SCI-06 AID-20 CIEP-02 COME-00 INT-08

TRSE-00 STR-08 /224 R

DRAFTED BY T/IEP:JPLACKE

APPROVED BY EB:JLKATZ

T/IEP:AKATZ

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FM SECSTATE WASHDC

TO USMISSION GENEVA PRIORITY

C O N F I D E N T I A L STATE 023361

EO 111652 GDS

TAGS: ENRG

SUBJECT: ENERGY: YOUR REQUEST FOR GUIDANCE ON EAG ISSUES

FOR FELDMAN, UNCTAD WORKING GROUP

1. AT THIS TIME, YOU SHOULD LIMIT YOURSELF IN BOTH PUBLIC
AND PRIVATE MEETINGS TO GENERAL STATEMENTS THAT US;

A) FULLY RECOGNIZES SERIOUS PROBLEM RISING ENERGY
COSTS POSE FOR LDGS;

B) INTENDS AT EARLY APPROPRIATE DATE TO BROADEN
CONSUMER CONSULTATIONS TO INCLUDE LDGS AND TO TAKE UP
RELATIONS WITH OIL EXPORTERS. WE DO NOT, HOWEVER, WANT
TO GO INTO SPECIFIC MODALITIES UNTIL AFTER WASHINGTON
CONFERENCE;

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C) BELIEVES LDCS SHOULD RECOGNIZE TRIPLING OF OIL PRICES DURING PAST YEAR AS CAUSE OF CURRENT PROBLEM AND DIRECT THEIR PRESSURE AGAINST EXPORTERS.

2. FOLLOWING IS FOR YOUR USE AS BACKGROUND:

A) AS A GROUP, LDCS ARE MORE DEPENDENT ON OIL IMPORTS FOR ENERGY (ABOUT TWO-THIRDS OF THEIR TOTAL REQUIREMENT)

THAN ARE INDUSTRIALIZED CONSUMERS, EXCEPT JAPAN.

B) AT 1973 RATES OF CONSUMPTION AND CURRENT PRICES, OIL IMPORTS WOULD ABSORB ABOUT 20 PERCENT OF LDC EARNINGS FROM EXPORTS, AS COMPARED WITH 8 PERCENT IN 1970;

C) ADDITIONAL DIRECT COST OF OIL IMPORTS TO LDCS FOR 1974 IS ESTIMATED AT 8 TO 10 BILLION DOLS, WITH BRAZIL AND INDIA ACCOUNTING FOR OVER 1 BILLION DOLS EACH. THIS IS APPROXIMATELY EQUAL TO TOTAL OFFICIAL ASSISTANCE FROM 16 DAC MEMBERS IN 1972. KISSINGER

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Message Attributes

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30 JUN 2005

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